

MediaBay.com.

**VIA FACSIMILE: 216/573-6888
AND FEDERAL EXPRESS**

August 26, 2002

Mr. Steven Potash
Overdrive, Inc.
Valley Tech Center, Suite A
8555 Sweet Valley Drive
Cleveland, Ohio 44125

Re: U.S. Patent No. 4,528,643 Infringement

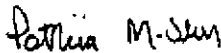
Dear Mr. Potash:

I am acting as general counsel of MediaBay.com, Inc. ("MBay.com"), a subsidiary of MediaBay, Inc. Effective June 19, 2002, MBay.com was granted an exclusive fields of use license for the Freeny patent, U.S. Patent No. 4,528,643, and its corresponding foreign patents, together with an assignment of E-Data Corp.'s rights in and to any claims for infringement, including claims for past infringement. The exclusive fields of use encompassed within the license agreement and assignment of rights include spoken word audio, E-book and print-on-demand markets.

As you are aware by virtue of E-Data Corp.'s letter to you of May 22, 2002, the Freeny patent describes a method for distributing digital information such as audio books, audio versions of newspapers, magazines and other material, and E-books, and reproducing these onto "material objects" such as burning to a CD or reproducing onto separate devices such as mobile audio devices, PDAs and other listening, reading or playing devices, etc. (See U.S. Patent No. 4,528,643 at Col. 4, Ln. 54-55).

E-Data Corp. sent you a notice of infringement on May 22, 2002. To our knowledge you have not responded in any way. I would appreciate your contacting me within ten (10) days from the date hereof to discuss a license and remedying the past infringement. MBay.com would rather amicably resolve this matter than seek court intervention. I am certain you feel the same way and look forward to hearing from you.

Very truly yours,


Patricia M. Silver
General Counsel

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cc: Mr. Michael Herrick

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A MediaBay, Inc. company (NASDAQ:MBAY)

** TOTAL PAGE.02 **